



Leading Through Disruption

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Directors Can't Really Know What's Going On Inside Their Companies

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Dame Moya Greene, a veteran business leader, board director, and mentor, shared smart insights with me and my colleague, Adam Bryant, managing director of The ExCo Group. [Subscribe here](#) to receive all our interviews with board directors.

Lauterbach: What are the key lessons you've learned from all your years as a director?

Greene: I have been on boards for a quarter of a century, and in that time, the expectations of boards have changed dramatically. Oddly enough, I think there is a bit of an accountability paradox — the expectations of boards are going up while the ability of boards is, in my opinion, going down.

The most important thing I have learned about boards is that you have to assume that despite all of the efforts by the company to inform you, you have to assume that you don't really know what's going on. And this is especially true in very large corporations that are operating in multiple markets.

It's also true in smaller corporations that are in a single national geography. If they've been buying other companies, you can rest assured that there's no single culture, because people haven't grown up in the organization. So I would say that the biggest lesson I've learned is that you should assume that you don't know what's going on.

The second thing I would say is that, especially in the past five years as the ESG agenda has taken hold, is that we are seeing government really outsourcing its policymaking and its policy implementation roles to corporations. Activism is also global, helped hugely by social media, and so now we're in a situation where firestorms that can threaten company stability and board cohesion can come from anywhere. So the lesson is to expect that there will be something during your first three years on a board that comes without any risk-management framework. It will swamp your board.

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to be careful.*

The third thing I would say, especially to non-executive directors, is not to think that being invited to serve on a board is a recognition of your ability or your status. Say "no" a lot of the time because boards are increasingly borrowing, in effect, the individual reputations of their directors. And the individual reputations of the directors can actually hinder the ability of the board as a group to sensibly respond.

There's been a big push in the past ten years to make boards more gender-neutral. And the advice I give to women is to be careful. If you feel like you cannot tell what you're getting into, it's better to decline and gratefully say no.

Bryant: What are your thoughts on how boards handle succession planning, particularly choosing the next CEO?

Greene: The chairmen of boards in the UK have too much power. I've been on nominating committees of boards, and have diligently put together specifications for the kind of people we think we need. But the person who is hired often doesn't match that specification at all. I'm not saying that the nominating committee was correct, but I'm saying that how people come to be on boards is still very much about the chairman.

Lauterbach: Do you think there should be some kind of reform that would mitigate the risk or biases on the part of a chairman?

Greene: I don't think that the reform can come from outside. I'm going to suggest something radical: I think boards need coaches, especially now, and they need coaches who have been on lots of boards. Because the inside story of a board is very different from what people understand, and most of the people who are writing about boards – and even the people who are doing so-called board evaluation work — have never been on a board themselves.

Bryant: What is it about board dynamics that you feel most people don't understand?

Greene: Most directors have no ability to set the agenda for how the board's time will be used. You're just sent the materials. You're in a passive role. Most of the time it's the executive team that will set the agenda of the board. The first thing you have to understand is that there's only a certain amount of time that a board can spend on the affairs of the corporate entity. And so you need to think about how that time is going to be allocated, to what subject and to what degree.

Lauterbach: What should boards be spending more time on that they aren't now?

Greene: How global activism is likely to change their agenda. Because activism is very sophisticated now. It has social media and traditional media on its side. As the policy agenda of government has been outsourced to companies, it's piling a huge amount of responsibility on corporate boards. So my number one thing would be, what are the activists saying about you?

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We also need mavericks on boards. Instead of being ostracized, they need to be celebrated for speaking up and saying, wait a second, we're wasting time here. Here's what we should be spending time on. But boards are very clubby, and they're often focused on consensus around inconsequential issues.

Bryant: If you were hiring a new CEO, what are the top one or two qualities you would be looking for?

Greene: Because companies are certain to face crises of one kind or another, I want to know about assignments they've had where they've been tested. The second thing I would say is, tell me about your failures. Because you learn so much more from your failures than just being on the golden road of success. What did you do about the

failures? How did you handle them? How did you get back on the horse? What did you learn? How did it make you a different leader? For me, those are the X-factors.

Bryant: What were important early influences for you?

Greene: I come from a very ordinary, extraordinary family. My father was a handyman who worked all the hours that God created, and my mother taught learning-disabled children. She wouldn't spend five minutes on any homework question that her own children would bring her. She would say, "Get out your books. There's nothing wrong with your brain, go do it. I'm not doing your homework for you." She just was very clear that we were meant to work hard and use our brains, and if we saw something was wrong, we were meant to get ourselves out of it somehow.

The best thing she ever did for me as a teenage girl when I started dating was to give me \$20. And in those days, that was a fortune for them. When I went out on my first date, she gave me the \$20 and said, "Put that in your shoe." And I said, "What's that for?" She said, "If you're ever uncomfortable, you use that \$20 to get yourself out of there."

I never forgot that. And so I tell young women who are moving up through the ranks to make sure you save a fair amount of money so that you can get yourself out of situations that are making you uncomfortable, because there will be situations that make you uncomfortable. I've had that in my head since I was 15.